

MKS PAMP GROUP

Europe / US Market Update

29th November 2018

Range Europe / US Markets
(from Globex open)

28-Nov-18	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1212.65	1213.15	14.085	14.115	829.80	832.80	1153.00	1158.00
HIGH	1227.85	1228.35	14.340	14.370	832.80	835.80	1185.00	1190.00
LOW	1211.05	1211.55	14.085	14.115	812.10	815.10	1152.00	1157.00
CLOSE	1222.65	1223.15	14.280	14.310	825.30	828.30	1185.00	1190.00
EFP	-0.85	-0.35	0.075	0.085	1.50	4.50	-26.00	-21.00
LBMA Prices	AM	PM	14.15		AM	PM	AM	PM
	1213.20	1213.25			831.00	831.00	1162.00	1181.00
Active Contract	GCZ8 Comdty		SIH9 Comdty		PLF9 Comdty		PAZ8 Comdty	

MACRO

- U.S. Federal Reserve Chairman Jerome Powell said the benchmark interest rate was "just below" the neutral level, with many interpreting this as a dovish comment hinting that the Fed were prepared to slow the pace of future interest rate hikes. It was only in October that Powell had said that the Fed was "a long way" from neutral.
- Equities in the U.S. ripped higher on the back of the Powell comments. The DJIA gained +2.50% to 25,366.43 points, the S&P 500 added +2.25% to 2,743.79 points and the Nasdaq Composite surged +2.95% to 7,291.594 points.
- The S&P 500 saw strength across technology (+3.44%) and consumer discretionary (+3.23%) help the bourse to the biggest single-session gain since late March.
- U.S. GDP increased at a +3.5% QoQ pace during 3Q (unchanged from earlier estimate). Personal consumption eased to +3.6% from +4.0% previously. Core PCE softened modestly to +1.5% QoQ from +1.6% previously.
- New home sales in the U.S. plummeted -8.9% MoM during October from a positively revised +1.0% gain in September (prev: -5.5%).
- The greenback turned sharply lower on the back of Powells comments, seeing the DXY index - 0.59% lower. The pound jumped +0.8% and the euro gained +0.66%.
- European equities ended little changed on Wednesday, as investors turned focus toward Fed Chair Powell's speech in New York. The Europe Stoxx 600 ended the session flat, the German Dax eased -0.09% and the French CAC was unmoved.
- In London the FTSE 100 declined -0.18% even as the BOE announced that U.K. banks would be able to handle a disruptive Brexit.

PRECIOUS

- Gold once again held a test of USD \$1,210 before ripping higher in New York on the back of Powell related dollar weakness.
- The yellow metal languished underneath USD \$1,215 for the majority of the session as interest in the safe-haven waned following the previous session break through USD \$1,220.
- Powell's "just below" neutral comments provided the spark for a sharp decline to the greenback, propelling bullion to a USD \$1,227.85 high before tempering into the close and ending +0.45% higher.



MKS PAMP
GROUP

- Silver benefited from the dollar decline to break away from USD \$14, ending +1.2% higher after pulling back from a test of USD \$14.40.
- Palladium continued to firm on a tightening forward market, surging to a USD \$1,185 high to end with a +2.8% return on the session. Industrial demand remains supportive toward the white metal.
- Platinum was the overnight laggard, falling +1.09% after trading as low as \$815 (-2.3%) pre-Powell comments.

PRE-ASIA COMMENTS

- Gold sits above the USD \$1,220 pivot point following the overnight Powell-led price action and will look to hold the figure for a test through the recent resistance at USD \$1,228 - \$1,230.
- Near-term price action will likely find direction from the consideration of Powells comments, as participants judge whether there has actually been a dovish shift in the Fed's direction.
- Focus now turns to the weekend G20 meeting and outcomes from U.S. - China trade talks.
- Data today includes;
 - French GDP
 - German employment
 - U.K. mortgage approvals
 - Eurozone consumer confidence
 - German CPI
 - U.S. personal income/spending
 - U.S. initial jobless claims
 - Bloomberg U.S. consumer comfort
 - U.S. pending home sales

Although the information in this report has been obtained from and is based upon sources MKS believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute MKS' judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as investment advice, offer or solicitation for the purchase or sale of an investment. This report does not consider or take into account the investment objectives or financial situation of a particular party.